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C O N F I D E N T I A L SECTION 01 OF 04 HAVANA 001057

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TAGS: ECON PGOV PINR PREL CU

SUBJECT: CUBA: IMPRESSIONS OF ECONOMIC CONDITIONS OUTSIDE HAVANA

REF: A. HAVANA 1011  
B. HAVANA 1036

Classified By: COM: Michael E. Parmly: For reasons 1.4 b/d

11. (C) SUMMARY: This is the third and final cable of a series regarding the 10/7-22 visit by a delegation from the Transportation Security Administration (TSA). Specifically, this cable conveys general impressions about economic conditions outside Havana from USINT's Econoff, who, by way of the TSA visit, traveled throughout Cuba for one week. The main impressions are: 1) GOC failure to complete the national highway condemns almost half of the country to perpetual backwardness; 2) By meeting minimum economic needs, the GOC propagates poverty, prevents misery, and successfully dissuades potential unrest; 3) Cuban apartheid constantly reminds Cubans about the benefits of not being Cuban; 4) The vast amount of idle land throughout the island is representative of the wasted potential of Cuban agriculture.  
End Summary.

Eyewitness View: Priceless

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12. (U) The purpose of the TSA visit was to assess the security of Cuban airports where U.S. (OFAC-licensed) charter flights operate. The itinerary outside Havana was one week long, with a demanding schedule that included long drives -- (Note: The delegation traveled approximately 2,200 miles during the week, driving anywhere from 5 to 10 hours daily. End Note.) -- between hotels and airports in major cities (in order visited): Havana (largest city in Cuba), Cienfuegos, Camaguey (3rd largest), Santiago de Cuba (2nd largest), and Holguin (4th largest). Given the busy nature of the schedule, opportunities to meet and mix with average Cubans were few and limited. However, the trip afforded us a priceless opportunity to further fine tune our impressions of life outside Havana with unique eyewitness views of conditions throughout a good portion of the island.

National Highway = National Crime

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13. (U) Travel east from Havana is initially done using the Autopista Ocho Vias (Eight-Lane Expressway). The highway, projected as an eight-lane highway all the way to the eastern tip of the island, is completed only as far as the eastern side of Sancti Spiritus province. The highway goes from eight to four lanes shortly after passing the city of Santa Clara and continues for approximately 90km before it ends abruptly, just outside the town of Taguasco. With more than 500km left to the eastern city of Santiago de Cuba, all traffic must make a 20km detour through small towns on a tiny secondary road in order to link to the Carretera Central (CC; Central Highway). The CC is nothing more than a two-lane secondary road, yet it is the main artery that connects most major cities and towns from Taguasco to the eastern end of the island. Buses, trucks, tractors, carts, cars, bicycles, and animals all share the road, presenting a slow but picturesque parade of life in the countryside.

14. (SBU) The Eight-Lane Expressway project died a quick death after 1989 with the end of Soviet subsidies. According to Russian diplomat Aleksey Shults, "Just about all the roads built after the revolution were built thanks to us, and since we cut off aid nothing has been built." Indeed, maintenance of the CC is the only effort the GOC seems able to perform. Almost all other roads are dirt roads, or asphalt roads that have not been serviced in decades. The only asphalt roads that seem to receive occasional maintenance are those connecting the CC to large towns far from its path.

15. (SBU) The decaying state of Cuba's road network was apparent as we traversed the countryside. The vulnerabilities of the road system became even more obvious as we began to see the effects of unusually strong rainfall during the month of October in the Oriente region, consisting of the easternmost -- and poorest -- provinces of Cuba. For example, flooding and bridge damage on the Las Tunas - Santiago de Cuba segment forced us -- along with all vehicle

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traffic headed to Santiago -- to add a two-three hour detour north through the city of Holguin.

16. (U) According to an October 15 article from the weekly Trabajadores, the GOC estimated it would need about USD 900 million to fix the roads (334 million to repair the roads considered to be a "national priority" and 600 million to finish the missing portions of the Expressway). The article, as well as our trip, took place more than a week before Tropical Storm Noel caused major flooding and significant -- and still undetermined -- economic losses to the Oriente region (See Septel). Some areas are still cut off due to the flooding.

Minimum Economic Needs Met

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17. (SBU) The fact that there was electricity everywhere was noticeable, even along the off-road and dirt road segments we were forced to take, away from the CC. On one particular night, after driving for two hours under intense rain between Ciego de Avila and Camaguey, one could easily see, at a distance from the road, that houses were well lit. Though the road has no lighting and is therefore dangerous to travel at night, Cubans had electricity inside their homes, even after days of heavy rainfall.

18. (SBU) The "grupos electrogenos" (independent power-generation plants) providing the electricity were quite visible along our route. The power-generation plants were installed during the past two years as part the GOC's "energy revolution" program, are of different makes and models (bought from different countries), and run on a variety of fuels. The plants are clearly tailored to the specific electricity demands of a particular area. Sparsely populated areas had small plants, while larger urban areas had proportionately larger plants.

19. (SBU) The vast majority of houses visible to us were made of cement with a variety of roof types -- corrugated zinc metal, tiles, or cement. A smaller number of houses were made of wood and a much smaller portion included thatched houses which were rarely used as living quarters -- usually barns or other workspace located immediately adjacent to proper houses.

110. (SBU) The lack of transportation problem is as bad as the road network problem across the country. Beyond the largest cities, horse-drawn carts become more numerous than cars. To confront the lack of transportation, and a true example of Cuban -- albeit socialist -- ingenuity, Cubans have developed a whole public transport system using these horse-drawn carts. In the absence of a decent road infrastructure they have created a sort of "horse-buggy" infrastructure in rural Cuba, complete with routes, destinations painted on the carts, and designated "horse-buggy" stops. While this may be picturesque to some foreigners and functional to Cubans who must make the most of what little they have, it is nonetheless a stark reminder that most Cubans have to put up with conditions reminiscent of a century ago.

111. (SBU) To deal with the transport problem, the GOC has been phasing in buses it imported, mainly from China. Most of the buses already in operation have been incorporated into the network that provides transportation between provinces. Inter-provincial buses were frequently seen along the CC, and anecdotal accounts confirm that there are noticeably more now than a year ago. But while passenger transport was conspicuous, freight transport was barely seen. Although many goods are transported by rail, one would have expected a lot more truck traffic. Likewise, there were quite a few working-age males "hanging out" in the streets during working hours, clear signs of underemployment and little economic activity.

112. (SBU) Even among the poorest villages, one could see children dressed in pristine red and white school uniforms making their way to school. In addition, people did not seem malnourished. Most houses in rural areas had at least a

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small plot of land where they cultivated some form of crop, providing a way to supplement insufficient GOC rations.

Cuban Apartheid

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113. (SBU) While we could not assess any medical facilities used by average Cubans, we had the opportunity to experience

the type of medical care that is available to foreign tourists. The TSA team leader suffered stomach pains during our stay in Cienfuegos and was directed by the hotel staff to a 24-hour clinic one block away from the hotel. The clinic was a converted formerly private (probably expropriated) house, with waiting room, pharmacy, ambulance car, and air-conditioned nurse and doctor's offices. The staff was professional, competent and spoke some English. The nurse admitted to Econoff that such facilities usually exist close to tourist hubs -- such as our hotel -- and that although any Cuban who were to show up suffering an emergency ailment would undeniably be treated at their facility, they would quickly be transferred to another facility because average Cubans do not "normally" attend this type of clinic. The TSA team leader was examined, diagnosed, prescribed two pills(which we picked up at the clinic's pharmacy for the nominal fee of USD 40), and subsequently felt better the next day.

¶14. (SBU) Lodging during the last airport visit was at an all-inclusive resort in Cuba. Away from most Cubans and the real Cuban way of life, the resort was the typical "tourist ghetto" where the GOC prefers to keep foreigners. The resort provides a "bubble" inside which foreigners can spend needed hard currency, in a controlled environment, directly into GOC coffers. Perhaps a sign of the recent tourism decline in Cuba, the resort was half empty. Possibly as a result, the service was bad, the food low quality, and the drinks watered down.

Marabu and Idle Land

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¶15. (SBU) During his July speech, Raul Castro made reference to the large quantities of Marabu -- a wild bush which grows easily and is hard to eradicate -- that have infested fields all across Cuba. There was a noticeable difference between provinces with regard to the extent of the spread of Marabu, perhaps indicating differing levels of commitment or efficacy among provincial authorities. For example, the provinces of Las Tunas and Ciego de Avila had many more fields that were infested, sometimes with Marabu as far as the eye could see. In contrast, the province of Camaguey had significantly less infestation, a perceptible difference observed as one crossed the provincial border. Many of its fields had only a few patches of Marabu, leaving the vast majority of them in good condition.

Comments:

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¶16. (C) National highway equals national crime: Why has the completion of this highway not been a top GOC priority? It would arguably be a better investment to complete the highway than to throw an equivalent amount of money into, say, hotel ventures. The Cuban economy would gain more in new domestic economic activity made possible by increased traffic of people and goods throughout Oriente and between Oriente and the rest of the country, than from new hotels. We can think of two potential reasons why the GOC has not finished the highway, despite the obvious benefits: 1) Tourism revenue goes directly to and is centrally controlled by the GOC, while the central highway would empower individual Cubans with economic freedoms to create new wealth, only part of which would, and only indirectly, benefit the GOC. 2) Maintaining almost half of the country physically cut off from the rest has an obvious attraction to an authoritarian GOC that may prefer to isolate Oriente, the region where all of Cuba's revolutions have originated throughout its history. Whatever the reason, the real crime is that by not finishing the road the GOC condemns almost half of the country to perpetual backwardness.

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¶17. (C) Minimum economic needs met: It became clear to us how, despite the many wants in Cuba, the GOC has been successful in establishing a floor under which the vast majority of Cubans cannot fall. This floor consists of various services, entitlements, and a social safety net that ensure that minimum economic needs can be met. The resulting state is one in which there is widespread poverty but no misery. This is an important threshold as we analyze "how bad things have to get" in order for average Cubans to "take to the streets" in protest. Unlike our courageous dissident community, most Cubans are likely to protest about economic wants much sooner than political wants. The GOC, by meeting minimum economic needs, seeks to avoid a level of economic desperation where Cuban feel they have nothing to lose if they protest.

¶18. (C) Cuban apartheid: While Cubans' minimum economic needs are met, they are constantly slapped in the face with the existence of another reality, one in which economic needs can be met and exceeded. That reality, however, can only be enjoyed by foreigners.

¶19. (C) Marabu and idle land: Although there was a lot of Marabu on Cuban fields -- in some areas more than others -- what was most striking was the large amount of idle land throughout Cuba. Marabu grows on any field that has not been put to productive use. There80:Q0eason it has less Marabu is because more of its fields are put to productive use. The vast amount of idle land is

representative of the large and wasted potential of Cuban  
agriculture.  
PARMLY